



Executive Summary

City Council Workshop

AGENDA ITEM: 1660 Spring Avenue – Hazardous Building
PREPARED BY: Jacob Schillander, City Administrator
RECOMMENDED ACTION: Council Direction

REPORT DATE: September 10, 2026

Summary:

Council direction is requested on a defined path to abate the hazardous building at 1660 Spring Avenue. The Administrator recommends Option 2, formal hazardous building proceedings, or Option 3, a restoration agreement as a final voluntary opportunity, followed by Option 2 if an acceptable agreement cannot be reached or complied with.

Background

On May 28, 2026, the City's Building Official, Mike Rosenau, inspected the property with City staff. Excessive moisture and evidence of mold growth were observed throughout the structure. The Building Official determined that the structure constituted a human health hazard and was unsafe for occupancy. A "DO NOT OCCUPY" notice was posted following the inspection.

The Building Official also determined that the structure meets the definition of a hazardous building under Minnesota Statutes § 463.15. Correcting the hazardous conditions requires, at a minimum, mold remediation and demolition and removal of water-saturated flooring, drywall, and insulation.

On July 22, 2026, the City issued a Notice of Hazardous Building and Order Prohibiting Occupancy. The notice directed the owners to provide a written plan and timeline for repair, rehabilitation, removal, or demolition within 30 days of receipt; obtain required permits; and complete corrective work in accordance with applicable requirements. The structure must remain unoccupied until the hazardous conditions are corrected, inspected, and approved by the City.

The notice advised that failure to timely abate the hazardous conditions could result in formal proceedings under Minnesota Statutes §§ 463.15–463.26, potentially resulting in an order for corrective action and assessment of associated costs against the property as authorized by law.

Property Owner Response and Current Property Status

In her August 24, 2026 correspondence, one owner reported that pending divorce proceedings had left ownership and responsibility for the property unresolved. She stated that she learned of the building's condition in June 2026, addressed exterior maintenance, and obtained a remediation

quote. She reported that she could not currently afford remediation or provide a definite restoration timeline while ownership remained unresolved. She expressed a willingness to address the property if awarded ownership and to keep the City informed of any settlement.

As of September 10, 2026, the property is delinquent on property taxes for both 2025 and 2026. This delinquency is an additional consideration when evaluating potential City expenditures and the timing and uncertainty of cost recovery. The ownership dispute and the owner's stated intentions do not resolve the hazardous condition or establish a firm abatement schedule.

Options for Council Consideration

The City Attorney identified three potential approaches in the August 25, 2026 correspondence.

Option 1 Allow Additional Time and Monitor the Property

The City could defer immediate formal enforcement and allow additional time for the ownership and divorce proceedings to progress. The structure should remain unoccupied and adequately secured to prevent unauthorized access and further deterioration. The City could require the owner to secure the property to the City's satisfaction and continue monitoring its condition.

This approach allows more time for the private ownership issues to be resolved before the City initiates proceedings or incurs corrective costs. However, it leaves the hazardous condition unresolved for an uncertain period without a formal path toward abatement. Staff does not recommend this option.

Option 2 Initiate Hazardous Building Proceedings

The City could initiate formal hazardous building proceedings under Minnesota Statutes §§ 463.15–463.26 seeking repair, removal, or demolition of the structure. The City Attorney identified this as the most direct enforcement mechanism if the owners cannot or will not commit to a realistic restoration schedule. If consented to, which would be in the form of an agreement, by all owners of record, occupying tenants, and all lien holders of the record consent, the City may, pursuant to Minn. Stat. § 463.151, remove or raze any hazardous building. This agreement may occur prior to initiating a proceeding or as part of a settlement after the it is initiated.

The City may initially incur legal and corrective-action costs and then seek to assess associated costs against the property as authorized by law. The existing delinquent taxes warrant consideration because the City may incur additional costs before recovering them. Assessment of costs should not be treated as assurance of prompt repayment.

This option would establish a formal process, under the hazardous building statutes, toward resolution and is appropriate if Council determines that sufficient time has already been provided (Option 1) or that a restoration agreement (Option 3) is unlikely to produce timely abatement.

Option 3 Pursue a Restoration Agreement

Staff and the City Attorney could attempt to negotiate a restoration agreement with the property owner or owners establishing specific corrective requirements, milestones, and a firm deadline for abatement. The City Attorney advised that title work would be needed and that mortgage holders, lienholders, and occupants whose interests may be affected would need to consent.

The agreement could provide that, if required work is not completed by the specified deadline, the City may enter the property to remove or raze the structure or otherwise correct the hazardous condition and assess associated costs against the property, subject to applicable legal requirements and the agreement's terms. This is similar to the agreement discussed in Option 2, but provides time for the property owner to correct the hazardous conditions.

The City Attorney indicated that exploring an agreement may be an appropriate initial approach if the structure can be adequately secured and does not present an immediate threat to public health or safety. This option offers a final opportunity for voluntary compliance while establishing a defined schedule and consequences for noncompliance.

If an acceptable agreement cannot be reached within a reasonable period established by the City, the owners cannot commit to a realistic schedule, or the agreement's requirements are not met, the City should proceed with Option 2 in coordination with the City Attorney.

Administrator Recommendation

The City Administrator recommends that Council direct staff to proceed with either Option 2, Initiate Hazardous Building Proceedings, or Option 3, Pursue a Restoration Agreement. Staff does not recommend Option 1 because continued monitoring alone would allow the matter to remain unresolved without an enforceable path toward abatement.

The Building Official has determined that the structure is a human health hazard, is unsafe for occupancy, and is a hazardous building. The July 22 notice required a written plan and timeline within 30 days of receipt. The owner's response does not provide a definite timeline for correcting the condition. While staff recognizes the difficult ownership circumstances and the owner's stated desire to resolve the matter, those circumstances do not eliminate the hazardous condition. The delinquency of 2025 and 2026 property taxes adds concern regarding potential City financial exposure.

If Council wishes to provide one final opportunity for voluntary compliance, the Administrator recommends Option 3, provided that the structure can be adequately secured and does not present an immediate threat to public health or safety. Council should establish a reasonable, limited period for reaching an acceptable agreement. The agreement should contain specific corrective requirements, firm milestones and a completion deadline, necessary consents, and clear consequences for noncompliance.

If an acceptable restoration agreement cannot be reached within the City-established period, the owners are unwilling or unable to commit to a definitive remediation schedule, or the agreement is not complied with, the Administrator recommends proceeding with Option 2 and initiating formal hazardous building proceedings. If Council determines that sufficient time has already been provided, it may direct staff to proceed with Option 2 immediately.

Council Direction Requested

Staff requests that Council select one of the following recommended courses of action:

Option 2: Direct staff and the City Attorney to initiate formal hazardous building proceedings under Minnesota Statutes §§ 463.15–463.26.

OR

Option 3: Direct staff and the City Attorney to pursue a restoration agreement as a final voluntary opportunity, with firm abatement requirements and deadlines, followed by Option 2 if an acceptable agreement cannot be reached or its requirements are not satisfied.

If Council selects Option 3, staff also requests direction on the period allowed to reach an agreement. Following Council direction, staff will coordinate with the City Attorney and Building Official to implement the selected course of action and bring forward any required approvals.

Supporting Records

Notice of Hazardous Building and Order Prohibiting Occupancy, July 22, 2026, including the Building Official's July 9, 2026 letter; and "Re: Brekhus–1660 Spring Ave" correspondence dated August 24–27, 2026.